The power of logistics visibility

Use information to optimize your supply chain

Logistics lifecycle

Late deliveries in a lean manufacturing environment can lead to millions of dollars in plant downtime. Many companies deal with this by padding lead times, resulting in excess inventory and poor cash flow. Streamline supply chain operations and increase visibility by automating interactions with trading partners.

The ROI of supply chain planning solutions

The key ROI comes from the savings of carrying less inventory.

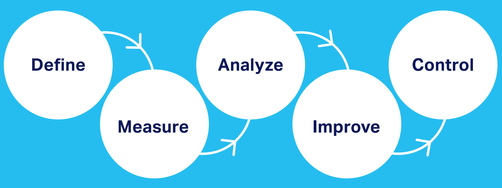
How to reduce inventory costs:

Gain visibility into lead times

Supply chain visibility is critical for analyzing lead times.

You can't improve what you don't measure.

Measure and improve lead times



Lean processes reduce lead times.

Apply lead time data to inventory optimization

Shorter **lead time** → More **predictability** → Greater **savings**

Significant cost savings

Reduce inventory while still improving service levels

If a manufacturer that typically keeps 4 weeks of inventory valued at $100M reduces its inventory coverage to 3 weeks, the difference in the annual value is $325.9M. Based on a 20% inventory carrying cost, **annual savings are $65.2M.**

$1304M Annual value of 4 weeks inbound inventory **–** **$978M** Annual value of 3 weeks inbound inventory **=** **$326M** Difference in annual value

$365M Difference in annual value **x** **20%** Inventory carrying cost **=** **$65M** Annual savings from faster turn

Optimize inventory with a visibility solution—
the payback can be substantial.

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Get more information at
opentext.com/trackandtrace

ARC Advisory Group